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### USSR-PLO

The Soviets won some concessions from Palestine leader Arafat during his visit to Moscow last week, but Moscow made it clear that it is not yet ready to reciprocate with unqualified support for the PLO.

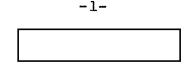
In an end-of-visit communiqué, Arafat moved a step closer to Moscow's position and to a PLO commitment to accept a truncated Palestinian state and, indirectly, Israel's right to exist.

In a tortuously constructed passage, the communique said that the PLO should assume responsibility for any Palestinian territory "liberated by the withdrawal of Israeli forces from the seized Arab lands, as demanded by well-known UN decisions." By endorsing this reference to Israeli-occupied territory rather than to Israel itself, Arafat indirectly conceded the Soviet Union's position that Israel proper must continue to exist. Although Arafat privately accepts this reality, he probably will withhold a more explicit acknowledgement of this position until offered major concessions from Tel Aviv in return.

Arafat's approving reference to "well-known UN decisions" in the same breath as withdrawal is also a first. It is obviously an allusion to Security Council Resolution 242, which calls for an Israeli withdrawal from territories occupied in 1967 and guarantees the "territorial inviolability" of all states in the area.

This concession notwithstanding, the Soviets refrained from an explicit recognition of the PLO as "sole" representative of the Palestinians. They also went no further than before in recognizing the right of the Palestinian people to "statehood," without spelling out just what this means.

The Soviets also called in the communiqué for the participation in the Geneva peace conference of the "Arab people of Palestine" and did not specifically mention the PLO. The PLO, undoubtedly upset with Moscow's continued equivocation, refused to associate itself with this part of the communiqué.



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Moscow apparently also took a cool view of a Palestinian government in exile, and the communiqué made no

mention of it.

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The Soviets may be concerned that the announcement now of the formation of a Palestinian government-in-exile could disrupt movement toward reconvening the Geneva conference—a prime Soviet goal. The Kremlin undoubtedly also wants to be sure that any government has broad support among Palestinians and other Arab governments before committing its hand, and it may hope to influence the composition and program of a PLO government.

On the plus side, the USSR and Arafat announced that a previously authorized PLO office will open in Moscow in the "nearest future." Although one Arab diplomat in Moscow says the office will be given virtual diplomatic status, it is not known whether it will have any formal accreditation to the Soviet government.

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SPAIN

The publication yesterday of the long-awaited draft law allowing limited political participation will be a keen disappointment to a majority of politically involved Spaniards who favor wider public involvement in the Spanish political system.

The draft statue legalizes "political associations"-- a form of political party--but makes them subservient to Franco's National Movement. The movement is a collection of largely rightist groups that have supported Franco since the Spanish Civil War. The new law authorizes the movement to recognize, suspend, or dissolve the political associations.

Prime Minister Arias wanted a bill that would permit associations that were independent of the movement.

Arias defended the law in a nationwide speech yesterday, calling it "an agreement with Spanish reality" and a hopeful new step. The law is not likely to relieve the tensions that have been building for increased civil liberties. Many opposition groups will regard the proposed legislation as a farce and will demonstrate their dissatisfaction by refusing to apply to become legal political associations.

Last week 14 democratic centrist opposition leaders were arrested at a meeting in Madrid called to discuss the launching of a "Democratic Conference" composed of seven Christian Democratic and Socialist political groups. Everyone involved was released the next day, but the participation of a former cabinet minister and the son of the ex-chief of the armed forces general staff in the affair has given the concept of a "Democratic Conference" additional popularity and prestige.

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### ETHIOPIA

The separatist Eritrean Liberation Front is believed to have carried out three recent bombings in Addis Ababa in retaliation for the ruling military council's decision to increase military operations against the rebels.

The bombings were targeted against government installations. On November 30 an explosion damaged a fuel storage tank at the capital's international airport. A powerful explosion on Monday extensively damaged city hall; at least three people were reportedly killed and seven injured. Another blast at a recently nationalized hotel caused limited damage.

The reinforcements—expected to total about 1,500 troops—are already arriving in Eritrea Province. They will join the approximately 7,500 government troops in the province in implementing the council's decision to step up military activity against the front. The insurgents apparently decided to get in the first blow and chose Addis Ababa to demonstrate their capacity to strike anywhere in the country. The council is convinced the front is responsible for the bombings and will probably detain some Eritreans who live in Addis Ababa. Following the explosions, the council directed the residents of the capital to carry identification cards.

The provisional military government, meanwhile, has shown renewed interest in completing agreements for US military assistance. The Ethiopians had held parts of the package in abeyance for several weeks while General Aman negotiated for a separate agreement for additional credits and grant aid. The government now shows a strong desire to proceed immediately with the credit arrangements and the cash purchase of military equipment provided for in the US offer. This intention was first mentioned on November 21—two days before the execution of Aman—and was confirmed in a meeting on November 29 between the vice minister of defense and the chief of the US military advisory group.



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LIBYA

Representatives from Libya's sole political party—urged on by President Qadhafi—are trying to revitalize the Libyan—Tunisian unity scheme of last January and the Confederation of Arab Republics, a loose alliance between Libya, Egypt, and Syria set up in 1971 at Qadhafi's insistence. The Libyan delegations have appealed directly to presidents Sadat, Asad, and Bourguiba, who have been polite but reserved.

Qadhafi's new unity offensive is intended to emphasize his own terms. This time, however, he is not in a position to pressure his neighbors, and his initiative has been relatively low-keyed. The Libyan representatives currently visiting nearby Arab capitals have not called for grand declarations, but rather have asked that existing agreements for economic cooperation and political coordination—especially the moribund confederation—be rejuvenated and upgraded.

Libya's neighbors will not take this newest unity bid seriously, but they may be encouraged by Qadhafi's more modest approach and his general attitude of reconciliation. Although still skeptical of Qadhafi's motives, President Sadat sees little advantage in continuing an open feud with the troublesome Libyan leader and has begun to normalize relations with Tripoli. The Egyptian President and his colleagues in Damascus and Tunis will almost certainly encourage those aspects of cooperation that might lead to a renewal of Libyan financial aid, but they will stop well short of any firm commitments on the unity issue.

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### JAPAN

Takeo Miki will be confirmed as president of Japan's ruling Liberal Democrats at a special party caucus tomorrow and chosen as the new prime minister when the Diet convenes late next week.

Whether the Liberal Democrats will accord Miki a regular three-year term as party president or confine him to a caretaker role may not be known until a scheduled party convention in January.

The staying power of a Miki administration is equally uncertain at this point. He is the first minor faction leader to head the Liberal Democrats and was selected abruptly in the midst of a party crisis. His personal position will thus be relatively weak. In addition, Miki assumes office at a time of intractable economic problems and faces the difficult problem of recovering public confidence before important local elections this spring.

Miki's main asset may be the continuing i political impasse betwe	nahility C	of the party	to preak the
contenders for power.			

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### CAMBODIA

The Khmer Communists remain active in the Bassac River corridor and along key lines of communications while they continue preparations for dry season campaigning in other areas.

Insurgent attacks in the Bassac corridor south of Phnom Penh have forced government defenders to fall back and re-establish defenses closer to Phnom Penh. Four months of heavy fighting in the area has taken its toll in casualties forcing both sides to reinforce. Nevertheless, Communist troops have regained the initiative

Although government defenders have given ground grudgingly, the local Cambodian army commander is concerned that his combat-weary troops will be hard pressed to hold the line unless additional reinforcements and more artillery support are forthcoming.

East of Phnom Penh, however, government forces have retaken several positions which had fallen to the insurgents more than a week ago. Effective use of artillery and air support has resulted in heavy Communist casualties, which are likely to seriously impair their ability to maintain the current level of combat.

Insurgent forces in the northwest have interdicted Route 5 again between Pursat and Kompong Chhnang ending a brief lull in fighting in this area. Communist forces control six miles of road and government clearing operations are making little headway. There also has been a noticeable increase in Communist activity along the Mekong River. Insurgent forces have increased harassment of naval outposts between Phnom Penh and the Cambodia - South Vietnam border.

In the far southeast Communist pressure against Svay Rieng has decreased and Communist forces around that provincial center are disengaging from combat to rest and refit for the dry season.

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LAOS

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Prime Minister Souvanna Phouma steps back on the political firing line this week for the first time since suffering a serious heart attack in July.

Souvanna will interrupt his convalescence in Luang Prabang to chair a meeting of the coalition cabinet in the royal capital on Thursday. Senior non-Communist cabinet members believe that the Prime Minister's intellectual acumen and decision-making ability have been impaired by his heart attack and also fear that Souvanna could suffer a second, possibly fatal, seizure as a result of the heated debate the cabinet meeting is almost sure to spark.

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This bleak assessment of Souvanna's physical status is not shared by the US ambassador, who visited the Prime Minister in Luang Prabang on November 29. The ambassador reported that Souvanna appeared stronger and more vigorous than during their last meeting some three weeks ago, but that he is now like an old gentleman "puttering around at home" and only remotely in touch with the affairs of the kingdom.

The Prime Minister, however, told Ambassador White-house categorically that he would not recognize the PRG until it had a capital and other trappings of a legitimate government. Souvanna did indicate that he wished to see the National Assembly abolished once and for all.

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The anticipated political fireworks in Luang Prabang will not be limited to the cabinet. The coalition's Joint National Political Council, chaired by Pathet Lao leader Souphanouvong, opens its second major plenary session in the royal capital on Wednesday.

Both conclaves come on the heels of an extraordinary two-week conference of the Lao Communist Central Committee in Sam Neua, and should provide some hint of the political strategy line the Pathet Lao intend to pursue in coming months. No hard evidence is yet available on the results of the Sam Neua gathering, but its importance is underscored by the fact that neither Deputy Prime Minister Phoumi Vongvichit nor Souphanouvong could tear themselves away to meet with a high-level Soviet delegation headed by Deputy Foreign Minister Firyubin that was scheduled to visit Vientiane last week. Moscow subsequently canceled the visit.



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USSR

The Soviets launched Soyuz-16 yesterday--their first manned spacecraft mission directly related to the joint Apollo-Soyuz project scheduled for next July.

According to a Tass announcement, the Soyuz-16 spacecraft is identical to the one that will be used for the joint mission. The Soyuz-16 crew is one of the back-up teams for the joint project. It is planned that this mission will test new equipment including the docking adapter, which has been modified for the joint mission. The cosmonauts are also to carry out a scientific program that includes photographing the earth. Although the duration of the current mission was not indicated by Tass, it will probably last three to six days.

Because of the serious problems encountered in their Salyut space station program, the Soviets apparently are preparing carefully for the joint mission. This is demonstrated by the fact that they launched two unmanned Soyuz spacecraft, modified for the joint mission, earlier this year.

Since the fatal Soyuz-Il accident in June 1971, the Soviets have flown a total of four manned and six unmanned Soyuz missions. Two of the manned flights were made this year. The crew of Soyuz-14 occupied the Salyut-3 space station for approximately three weeks in July, but the flight of Soyuz-15 one month later was cut short after two unsuccessful attempts to dock with the space station.

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